

**LONG FORM
BIDDER QUALIFICATION STATEMENT
TO BID FOR NPLs**

The Federal Home Loan Mortgage Corporation (“**Freddie Mac**”) is offering, through a competitive auction a portfolio of seasoned residential first lien mortgage loans pursuant to a Freddie Mac Standard Pool Offering (**SPO**[®]) or Extended Timeline Pool Offering (**EXPO**[®]) of non-performing loans (together, an “**NPL Offering**,” and the loans offered via an NPL Offering, “**NPLs**”).

Before it can register for, or make an offer to bid for the NPLs, the undersigned prospective bidder (“**Bidder**”) (whether an individual or an entity) must meet the requirements described below as evidenced by execution of this Bidder Qualification Statement (the “**Qualification Statement**”).

The information requested herein is being requested for the purpose of providing Freddie Mac with information needed to determine whether the Bidder meets the qualification requirements of Freddie Mac to bid on the NPLs. **All potential bidders must complete a Qualification Statement.**

The Bidder understands that all information submitted is for the use of Freddie Mac, its employees, counsel and agents. The Bidder further understands that a background check may be conducted on (i) any person or entity that has a 10% or greater ownership interest in the Bidder; (ii) any Capital Provider (as defined herein) of the Bidder and any person or entity that has a 10% or greater ownership interest in a Capital Provider; and (iii) any person or entity providing a commitment letter on behalf of the Bidder as described in Section 2 below. The Bidder understands Freddie Mac will not provide the results of such background check or documentation to Bidder and waives the right, if any, to review such results or documentation.

This Qualification Statement is not a binding contract of sale. Providing the requested information is voluntary; however, failure to furnish all of the requested information may result in the prospective bidder not being permitted to bid for the NPLs.

The proposed sale of the NPLs is not intended to constitute the sale of a “security” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), or any applicable federal or state securities law. No inference that the NPLs are “securities” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Bidder in this Qualification Statement for purposes of qualifying Bidder as a qualified bidder for the NPLs. It is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.

Section 1. General Information Regarding Bidder

- A. Complete legal name: _____
- B. Tax Identification Number: _____
- C. Street address of executive offices (no PO Boxes): _____
- D. Corporate or other entity type and jurisdiction of organization (if applicable): _____
- E. Please describe the Bidder’s primary business line (e.g., commercial bank, mortgage servicer, bank, financial services company, etc.): _____
- F. Is Bidder publicly traded? **YES** **NO**
- G. Is Bidder a regulated company? **YES** **NO**
- H. Is Bidder, or is Bidder organized by an entity, certified as a minority or woman-owned business enterprise (“MWOB”)? **YES** **NO**
- I. Is Bidder, or is Bidder organized by, a non-profit and/or neighborhood advocacy organization? **YES** **NO**
- J. Is Bidder a for-profit entity that intends to use a non-profit and/or neighborhood advocacy organization as part of its servicing strategy (i.e., borrower outreach, joint venture with a non-profit or other) for this transaction? **YES** **NO**
- K. Attached hereto as Exhibit A is a list of the names and current home addresses of all entities and individuals owning 10% or more of the Bidder (which list Freddie Mac may use to conduct background checks).
- L. Servicer Name (if applicable): _____
- M. The Bidder must provide the following documents with this submission:
- Formation documents certified by the jurisdiction of formation (e.g., articles of incorporation; certificates of formation or certificate of trust), and
 - a completed form W-8 or W-9
- N. Will Bidder rely on another person or unrelated entity (a “**Capital Provider**”) to provide funds for the deposit and/or purchase price of the NPLs (other than a Financing Partner (defined below)) for the transaction? **YES** **NO**
- If “**YES,**” Bidder must complete Exhibit B listing the names and current addresses of all Capital Providers and their 10% owners (which list Freddie Mac may use to conduct background checks).

O. Will Bidder rely on another person or entity (a “**Financing Partner**”) to provide financing for the transaction? **YES** **NO**

• If “**YES**”:

i. Will your bid be contingent on this financing? **YES** **NO**

ii. Do you have an arrangement already in place with your partner that will allow you to readily access the financed funds for settlement of this transaction? **YES** **NO**

P. Is the Bidder registering to qualify to bid on an EXPO only? **YES** **NO**

Q. Document Custodian (if known): _____

R. Due Diligence Provider (if applicable): _____

Section 2. Proof of Funds

The Bidder must provide evidence that it has available funds sufficient to cover the deposit which will be in an amount equal to at least 10% of the principal balance of the pool(s) to be bid.

Such evidence may include bank statements or current financials of (i) the Bidder, (ii) any Capital Provider with a signed commitment letter or (iii) any “**Related Entity**” (defined below) of the Bidder, with a signed commitment letter. Proof of funds that do not demonstrate the Bidder’s timely, unqualified (other than a condition of being awarded the NPLs) access to cash or cash equivalents will not be considered available funds.

For purposes of this Qualification Statement, each of the following entities is a “**Related Entity**” of the Bidder: (i) Bidder’s direct parent, (ii) Bidder’s subsidiaries, (iii) any other entity which shares a common officer or director with Bidder and has authority or control over the bid in connection with the offering of the NPLs or (iv) an entity which owns a 10% or greater interest in the Bidder, provided that this definition is not intended to include public shareholders or Capital Providers of the Bidder.

Section 3. Servicer Eligibility

For pre-qualification, Bidder must complete Exhibit C (“**Servicer Questionnaire**”) for the servicer it will use to service the NPLs. If uncertain at this time which servicer they will use, Bidder must complete the Servicer Questionnaire for all servicers being considered, up to three potential servicers.

Section 4. Contact Persons at Bidder

A. Person to contact regarding the bid:

Name: _____

Title: _____

Telephone Number: _____

Email Address: _____

B. Person to contact regarding the transaction documents:

Name: _____

Title: _____

Telephone Number: _____

Email Address: _____

C. Person to contact regarding on-going obligations of the transaction, such as reporting:

Name: _____

Title: _____

Telephone Number: _____

Email Address: _____

D. Person to contact regarding the servicer:

Name: _____

Title: _____

Telephone Number: _____

Email Address: _____

Section 5. Bidder Qualification.

A. Bidder understands that, if it is determined to be a qualified bidder pursuant to this Qualification Statement, its status as such does not necessarily mean that it will be a qualified bidder for any other sale of NPLs or other assets offered by Freddie Mac. The Bidder also understands that its status as a qualified bidder for any other sale of NPLs or assets does not necessarily mean that it will be a qualified bidder pursuant to this Qualification Statement.

B. Only the named prospective bidder in this Qualification Statement, if qualified, will be allowed to bid for the sale of the NPLs, and if qualified, the Bidder must be the entity that purchases the NPLs.

C. Upon award as a successful bidder, Bidder may form a special purpose entity to which it may assign ownership of the NPLs at settlement. However, the Bidder will remain the counterparty with Freddie Mac for purposes of signing the Binding Trade Confirmation and Mortgage Loan Purchase and Sale Agreement, the closing of the sale of the NPLs and thereafter.

D. Bidder hereby certifies, represents and warrants that it satisfies one or more of the following qualifying statements 1 through 4. Bidder must check one or more of the following qualifying statements 1 through 4 in order to qualify as a qualified bidder for, and bid in, the sale of the NPLs. (**CHECK ALL THAT ARE APPROPRIATE**):

(_____) 1. Bidder is a corporation, partnership, limited liability company, or business trust with a net worth in excess of the Required Net Worth set forth below, determined in accordance with Generally Accepted Accounting Principles, consistently applied (“GAAP”), and was not formed for the specific purpose of acquiring an interest in the NPLs.

The “Required Net Worth” is:

- For a Bidder on an EXPO: \$5,000,000
- For Bidders on an SPO, and if bidding on both an SPO and an EXPO: \$10,000,000

(_____) 2. Bidder is a bank (as defined in Section 3(a) (2) of the Securities Act), savings and loan association or other institution (as defined in Section 3(a) (5) (A) of the Securities Act), insurance company (as defined in Section 2(a) (13) of the Securities Act), investment company registered under or business development company as defined in the Investment Company Act of 1940, as amended, or a broker or dealer registered under Section 15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), in each case with a net worth in excess of the Required Net Worth determined in accordance with GAAP.

(_____) 3. Bidder is a trust, with a net worth in excess of the Required Net Worth determined in accordance with GAAP, not formed for the specific purpose of acquiring the applicable NPLs.

(_____) 4. Bidder is a business entity whose equity owners are entities or individuals that have, or will have by the closing of the purchase of the NPLs, committed funds to the Bidder which funds, in the aggregate, will allow the Bidder to have a net worth in excess of the Required Net Worth.

Section 6. Representations and Warranties of Bidder.

By executing this Qualification Statement, Bidder certifies, represents and warrants that EACH of the following statements is true and correct as to such Bidder and are made for the purpose of qualifying Bidder as a qualified bidder for the NPLs.

A. Bidder is an entity that (A) either (i) is in the business of buying, originating or selling mortgage loans of the same type as the NPLs; or (ii) otherwise deals in mortgage loans identical or similar to the NPLs in the ordinary course of such Bidder’s business, and (B) holds (or, the entity to which it will assign the NPLs holds) such state licenses, permits, registrations, or approvals that may be necessary to purchase and hold the NPLs it is qualifying to bid for.

B. The officer(s) of the Bidder identified in the Bidder’s incumbency certificate have a minimum of 5 years of experience managing residential mortgage assets.

C. Bidder acknowledges, understands and is able to bear the economic risks associated with the acquisition and ownership of the NPLs, including, without limitation, the risk of a total loss of Bidder’s investment in the NPLs.

D. Bidder acknowledges and agrees that information, including summary data, will be made available to assist Bidder in evaluating the risks involved in acquiring the NPLs and whether or not it

chooses to review any information that is made available to it, Bidder has the ability and shall be responsible for making its own independent investigation and evaluation of the NPLs and the economic, credit or other risks involved in an acquisition of the NPLs, including, without limitation, the restrictions on resale or other liquidation upon any of the NPLs.

E. Bidder represents and warrants that it, or its Related Entities or Capital Providers, if applicable, are **NOT** any of the following:

- (a) an individual or entity that is currently debarred, suspended, or excluded from doing business with Freddie Mac;
- (b) an individual or entity that is currently suspended, debarred, or otherwise restricted by a department or agency of the federal government or of a state government;
- (c) an individual or entity that is currently debarred, suspended, or excluded from doing mortgage related business, including having a business license suspended, surrendered, or revoked by any federal, state or local government agency and no proceedings relating to any such actions have been commenced; or
- (d) an individual or entity that (i) is currently charged or (ii) has been convicted (within the past ten (10) years) by any federal, state or local government agency, regulatory organization or licensing agency of engaging in any professional conduct involving dishonesty, fraud or deceit.

F. Bidder represents and warrants that it has full authority to deliver this Qualification Statement and that the individual executing this Qualification Statement has full authority to do so on behalf of Bidder and all principals and Related Entities thereof, and, if applicable, all Capital Providers

G. Within the past ten (10) years, neither Bidder, nor any entity that has a 10% or greater ownership interest in Bidder, nor any person or entity controlling, Bidder, (i) has had entered against it an order for relief under the United States Bankruptcy Code, as amended, or under any other law relating to bankruptcy, insolvency or reorganization or relief of creditors, (ii) has failed to pay, or admitted in writing its inability to pay, its debts generally as they become due, (iii) has made a general assignment for the benefit of its creditors, (iv) has had appointed, or applied for, sought, consented to, or acquiesced in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its assets or properties, (v) has instituted any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or failed to file an answer or other pleading (within the time frame by which such answer or other pleading is due) denying the material allegations of any such proceeding filed against it, or (vi) has taken any corporate, partnership or similar (as applicable) action to authorize any matter described in any of clauses (i) through (v) of this paragraph.

H. Bidder acknowledges that it will inform Freddie Mac one week prior to submitting a bid if (i) the entities and individuals shown on Exhibit A as owning 10% or more of the Bidder, or (ii) the entities and individual shown on Exhibit B as being the Capital Provider or owning 10% or more of the Capital Provider change in any respect.

I. Bidder represents and warrants that to the best of its knowledge it has complied with all applicable legal and regulatory requirements with respect to its source of capital for this bid and purchase of the NPLs.

J. Bidder represents that it is solely responsible for meeting conditions of closing as outlined in the transaction documents, unless indicated otherwise in Sections 1(N) and 1(O) of this Qualification Statement.

K. Bidder represents and warrants that it is not a direct or indirect holder or group (as defined in Sections 13(d) and 14(d) of the Exchange Act) of holders of 10% or more of any class of capital stock of Freddie Mac.

L. Bidder represents and warrants that it has processes and controls in place to prevent money laundering and has not been the subject of any Bank Secrecy Act of 1970 or anti-money laundering enforcement action in the last five years.

M. Bidder has such knowledge and experience in the origination, securitization, sale and/or purchase of performing and nonperforming or distressed mortgage loans, as well as knowledge and experience, by itself or with its advisers, in other financial and business matters, as to enable Bidder to utilize the information made available in connection with the bid to evaluate the merits and risks of a prospective acquisition of the NPLs and to make an informed decision with respect thereto.

N. Bidder acknowledges and agrees that (i) the proposed sale of the NPLs is not intended to constitute the sale of a “security” within the meaning of the Securities Act or any applicable federal or state securities laws, (ii) no inference that the NPLs are a “security” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by Bidder in this Qualification Statement for purposes of qualifying Bidder as a qualified bidder for the NPLs, and (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the Blue Sky or securities laws of any jurisdiction.

O. Bidder hereby represents that the above certifications and all information provided in or pursuant to this Qualification Statement are true and correct in all material respects as of the date hereof and will be true and correct in all material respects as of the time of purchase of the NPLs, and understands that Freddie Mac is relying upon the truthfulness and correctness of such statements.

Section 7. Bidder Acknowledgements and Agreements.

A. Bidder acknowledges and agrees that if awarded the NPLs, Bidder will cause the NPLs to be serviced (i) in accordance with applicable law and regulations, including regulations of the Consumer Finance Protection Bureau, by a servicer that has completed Section 3 of this form (including completion of Exhibit C); and (ii) in accordance with the **Mortgage Loan Purchase and Sale Agreement**, which the Bidder will execute with the Seller.

B. Bidder acknowledges and agrees that Freddie Mac has the right to request additional or updated information at any time, including, without limitation, financial statements and/or confirmation of the representations, warranties and certifications made herein.

C. Bidder authorizes, and has the authority to authorize, Freddie Mac and its agents to conduct credit and other investigations of Bidder and any Related Entities and Capital Providers through appropriate third-party reporting agencies.

D. Bidder acknowledges and agrees that Freddie Mac may, in its sole discretion, refuse to qualify any prospective bidder who, in Freddie Mac’s sole judgment, does not have the requisite knowledge and experience to evaluate the merits and risks of purchasing and to make an informed decision with respect to the purchase of the NPLs.

E. Bidder hereby certifies that to the best of Bidder's knowledge all the information stated in, and provided pursuant to, this Qualification Statement is true, accurate, and complete. Submission of false information in connection with this Qualification Statement is grounds for rejecting your bid or invalidating the transaction documents.

F. Bidder acknowledges that Freddie Mac may revoke Bidder's bid, without the return of any deposit, if it is discovered that Bidder has made any fraudulent or untrue statements in this Qualification Statement.

G. Bidder acknowledges that Freddie Mac considers the information Bidder provides on or pursuant to this Qualification Statement and at any point in time during the bidding process to be confidential information of Freddie Mac.

SAMPLE

By: _____

Signature

Printed Name: _____

Name of Company: _____

Title: _____

Date: _____

SAMPLE

Exhibit A*

Provide the following information for all entities and individuals owning 10% or more of the Bidder:

Name: _____

Title: _____

Current Home Address: _____

***DUTY TO UPDATE:** Bidder must inform Freddie Mac one week prior to submitting a bid if any new entities or individuals gain ownership of 10% or more in Bidder.

Exhibit B*

Provide the following information for all Capital Providers and their 10% owners in connection with the bid for and/or purchase of the NPLs. If there are multiple Capital Providers then provide multiple versions of this Exhibit B:

Capital Provider:

Name: _____

Current Address: _____

Capital Provider's Owners:

Name: _____

Title: _____

Current Address: _____

Name: _____

Title: _____

Current Address: _____

Name: _____

Title: _____

Current Address: _____

***DUTY TO UPDATE:** Bidder must inform Freddie Mac one week prior to submitting a bid if any new entities or individuals are to provide funds or financing or if the 10% owners of such entity change.

Exhibit C

[SERVICER QUESTIONNAIRE]

SAMPLE